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Montana Transportation Forum

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MDT

Director's Invitation

Montana is a wonderful place to live and transportation contributes greatly to the quality of our lives. Transportation doesn't only affect shippers, it also affects how we travel to work and take our children to school or the dentist. Transportation impacts the choices and decisions that each of us make every day. That's why Montana's transportation future is important...it belongs to all of us.

And, that's why it's my pleasure to invite you to attend a transportation forum in your area of the state this September. While these forums are required by the planning provisions of the new federal transportation act, we're hoping to use them as a first step in a proactive public involvement process. In order to accomplish this, we've designed these forums to not only provide you with information but to actively receive your comments. It's my sincere belief that this exchange will foster greater agreement on our transportation future and give us insight into how the Department of Transportation can improve its service to you the public.

John Rothwell
Director of Transportation

September Forum Meetings

All Transportation Forums (except Shelby and Havre) will be held at 2 and 7 p.m,.

	August 31 **Bozeman** Library 220 E. Lamme	**Butte** 1 Butte/Silver Bow Senior Citizens' Center 25 W. Front St.	**Dillon** 2 Beaverhead National Forest Building 420 Barrett St.	**Hamilton** 3 City Council Chambers 223 S. Second	4	5	
6	7	**Missoula** 8 County Courthouse Annex	**Kalispell** 9 Courthouse East, Old Hospital 723 Fifth Ave. E.	**2 p.m.** **Shelby** Marias River Electrical Co-op 910 Roosevelt	**7 p.m.** 10 **Havre** City Council Chambers 520 Fourth St.	11	12
13	14	**Glasgow** 15 Glasgow Elks Club 309 Second Ave. South	**Sidney** 16 City Council Chambers 115 2nd St. S.E.	**Miles City** 17 Holy Rosary Hospital 2101 Clark	18	19	
20	**Red Lodge** 21 Red Lodge Senior Center 207 S. Hauser Ave.	**Billings** 22 Lincoln Center Board Room 415 N. 30th	**Lewistown** 23 Chamber of Commerce	**Great Falls** 24 County Courthouse Annex 325 2nd Ave. N.	25	26	
27	28	**Helena** 29 City-County Building	30	For more information call Sandy Straehl in Helena at 444-7692 or for those requiring accommodations for disabilities, call Dan Bartsch, Information Office, Public Affairs Bureau in Helena at 444-6245 (TDD 444-7696)			

Transportation Forum Objectives

This booklet provides information on topics for discussion at the Montana Transportation Forums scheduled between August 31 and September 29 at the 16 cities listed on the previous page.

The Meetings' Objectives Include:

- provide information on the programs and services of the Department of Transportation;
- share information on the requirements and programs of the new Federal Transportation Act;
- describe upcoming transportation projects and gather input for new projects; (Project maps will be available at the meetings or at MDT District offices in Missoula, Butte, Geat Falls, Glendive and Billlings before the meetings.)
- provide an opportunity for direct discussion on Montana's transportation future.

Questions for Your Consideration

Before you come, please give some thought to the following questions.

- In what areas do you think the Department of Transportation should provide better service?
- What future transportation projects do you feel should be developed in your area?
- What are your suggestions on ways to improve public involvement in the state's Transportation Planning process?

Why a Department of Transportation? What is the MDT?

Transportation in Montana depends on a vast system of many different types of facilities and operations including roads, bridges, railroads, buses, airports, bikeways and walkways. Because no one type or "mode" of transportation can accommodate all of our mobility needs, Montana is best served by an integrated system that includes all the various modes.

The need to develop an integrated multi-modal transportation system was one of the principal reasons Governor Stephens and the 52nd Legislature acted to create the Montana Department of Transportation or MDT on July 1, 1991. The MDT is made up of the former Department of Highways, the rail, transit and aeronautics functions from the Department of Commerce and some functions from the Department of Revenue.

In its first year the new department has made significant strides in improving overall government efficiency by consolidating programs and streamlining services. For example, the department has moved closer to the concept of "one-stop shopping" for licenses, fees, taxes and registrations related to motor carriers, which in turn, lowers the state's administrative costs and re-

duces the industry's regulatory burden. The department has also made strides in merging functions. For example, planning for all modes of transportation has now been consolidated into a single unit, and highway maintenance crews are performing some of the routine maintenance at state owned airports.

But there are other changes which could also be made that would further integrate state transportation responsibilities. One question for your consideration on this topic is:

- currently, a five member Commission with regional representation has statutory authority over some aspects of the highway program and a nine member board which represents different aeronautics constituencies advises the aeronautics program. Do you think the state would be better served by a single transportation commission that represents all modes?

The MDT's Future Direction

Over the last year, many changes have begun for transportation in Montana. The principal transportation responsibilities of state government were gathered into a single agency, the Montana Department of Transportation or MDT. Also, the federal government passed a national surface transportation act which contains the most sweeping changes in federal transportation programs since the interstate era began 35 years ago.

Director Rothwell felt the new department was faced with a pressing need to develop a unifying vision of Montana's transportation future and initiated a strategic planning process at the department about eight months ago. Strategic planning is simply a process that establishes a future direction for a company or public agency and then defines a course of action needed to move in that direction.

The process used to develop the department's future direction included a 50 member Advisory Committee from a broad cross section of the department's customers, a survey of state residents and a lot of research and analysis. During this process you, our customers, told us:

- "Safety" and "building and maintaining a statewide transportation system" should be the department's top two priorities.

- The MDT should not "own and operate transportation systems" or "take over local road maintenance."
- Other roles for the department that are important to Montanans include consideration of the environment, access to transportation for all Montanans and the efficient movement of the state's goods and products.
- You also told us that the MDT should not take the lead in tourism and economic development.
- One of the other messages was that the department isn't seen as very responsive. In what areas do you feel the department should be more responsive? And, what do you see as the best ways to accomplish this?

Phase I of the plan has recently been completed with the adoption of the MDT mission and goals shown on the facing page. Our Mission and Goals will set a future direction for the department's programs over the next several years.

Our Mission is to:

Serve the public by establishing a transportation system that emphasizes safety, environmental preservation and cost-effectiveness.

Goals:

Safety

Emphasize and coordinate safety throughout the transportation system.

Environment

Integrate environmental considerations into all department plans, designs and actions.

Transportation Efficiency

Facilitate the efficient movement of goods and people within Montana.

Accessibility

Promote cost-effective accessibility to transportation for all Montanans.

Performance

Be resourceful and strive for excellence in organizational effectiveness, efficiency and accountability.

Employees

Establish a work environment that fosters employee participation, recognition and accountability.

Service Orientation

Establish a service orientation towards constituents, customers and the public by being responsive, informative and open to outside involvement.

You'll notice that the beginning of our mission is to "Serve the Public" - if you don't think that's happening, let us hear from you.

Phase II, developing a strategic action plan, is currently underway. When completed at the end of October, plan implementation will begin. Over the next several years as we put the plan into place we'll be able to better demonstrate accountability and show how we're moving closer to the mission and goals which you, as Montana residents, have helped develop.

"The Intermodal Surface Transportation Efficiency Act of 1991" or ISTEA

After more than three years of intense lobbying and debate, a new Federal-aid transportation program was signed into law on December 18, 1991. With the completion of the nation's interstate, the Congress used this act to establish a new focus for the nation's transportation system. Two important concepts are woven into the act: state level flexibility and intermodalism, which is the efficient interconnection of different modes of transportation.

The following summarizes some of the major provisions of the act based on the guidance we've seen to date from the Federal Department of Transportation.

Federal Funding

The ISTEA authorizes increases over a six-year period to most highway and transit programs. These legislated increases were to be funded by extending a federal gas tax and reducing the balance in the federal highway trust fund. However, actual increases are uncertain, as the amount states actually receive continues to be tied to budget ceilings designed to lower the federal deficit. For example, in Fiscal Year '93 the act authorizes about $177 million for Montana, but if the recently passed House Appropriation bill becomes law, Montana

will only be able to spend about $152 million, which is nearly the same as our FY '92 obligation level.

Because for many years before the ISTEA passed, funding didn't keep pace with inflation, real program growth is now only moderate. For example, in FY '92 our obligation level was set at $152 million, an increase of about 2% over our 1986 obligation level when adjusted for inflation against the consumer price index.

The new act also directs at least 6% of the highway appropriations toward non-basic programs including the Transportation Enhancements and Congestion Mitigation and Air Quality programs described on pages 15 and 16. Considering the diversion of these funds, actual available construction funds will probably be less than the 1986 level after inflation.

Even though program growth can best be described as moderate, given the no-growth or even negative growth that would have resulted from some of the other federal proposals before Congress during reauthorization, Montana did win some ground in the new act. Our wins include a slightly increased share of the total federal highway program and a few demonstration projects.

The ISTEA also increased funding for most public transit programs. Other legislation which is currently being debated would continue the essential air Service program, but would eliminate or nearly

eliminate the federal local rail assistance program.

Program Changes

Perhaps the most dramatic change resulting from the ISTEA is the restructuring of the federal-aid highway program.

For the past several decades, federal-aid highway funding has been allocated to the interstate, primary, secondary and urban systems. The corresponding funding programs for these systems were administered through fairly rigid federal regulations. The new program eliminates all of these familiar systems except the interstate.

The primary, secondary and urban systems are replaced with two categories: the National Highway System (NHS) and federal-aid eligible roadways, which are supported through a block grant program.

National Highway System

This new NHS will be formed from the Interstate System and a relatively small percentage of former primary system routes. This "super-system" is expected to be the federal government's highest priority in the coming decades.

Hard won provisions in the current act allow states to transfer 50% of the NHS funding unconditionally to non-NHS routes. From our perspective, this level of program flexibility will allow us to continue addressing the states highest priorities: the

needs of the former primary and secondary system routes. However, we remain concerned that future federal programs may restrict transfers and leave the non-NHS routes impoverished.

The bill mandates that a final NHS be designated by the fall of 1995. Until then, Montana's principal arterial routes will serve as an "Interim NHS" and will remain eligible for this category of funding. Montana's current principal arterial routes are shown in the map on page 13.

From everything we know including the language of the act and past Federal Highway Administration's proposals, Montana's future, permanent, NHS will consist of the interstate and only about 30% of our former primary system miles. It's expected that there will be some discretion, but a realistic estimate of the future NHS suggests the smaller system as shown on page 13.

Other Roads

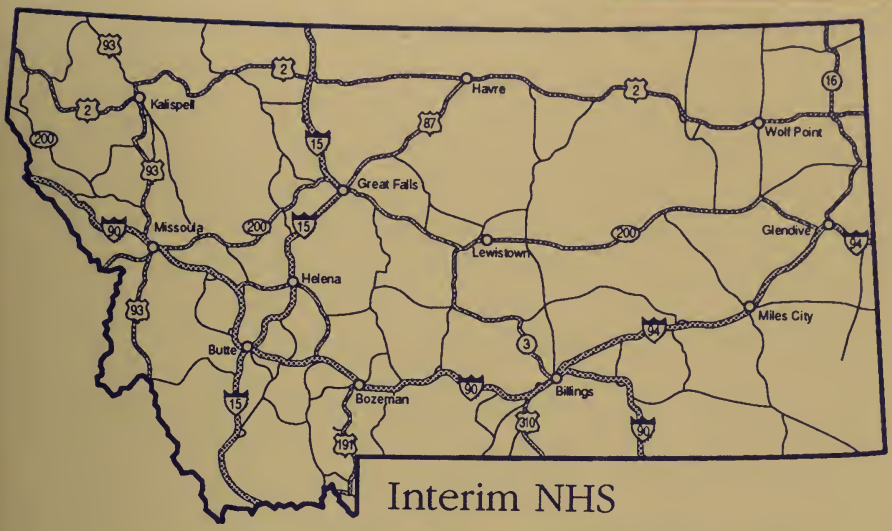
Federal support for roads not on the NHS including the remaining primary system, as well as the secondary and most urban routes will come through a flexible block grant program entitled the Surface Transportation Program or STP. With the elimination of the old systems, eligibility for these funds will be determined by the functional classification of the route.

NHS Designation—STP Eligibility and the Functional Reclassification

The functional classification of a roadway describes the kind of service that the route provides. At one end of the spectrum, interstate and principal arterial routes provide the greatest amount of mobility between major destination points such as cities or national parks. On the other end of the spectrum are local roads which provide mostly land access. The act establishes a state's functional classification system as the basis for permanent National Highway System designation (NHS), and also uses functional class to establish Surface Transportation Program (STP) eligibility.

For a route to be designated onto the permanent NHS, it must be classified as a "principal arterial" - the classification of our most important primary routes. However, it's expected that Montana won't have enough NHS mileage available to designate all of our principal arterials onto the new system. At this time, it appears that we'll be able to designate all of the interstate and about 80% of our principal arterials which is equivalent to only about 30% of our former primary system.

For a roadway to be eligible for the funds of the STP it must be functionally classed at least as a major collector in rural



Interim NHS

Currently NHS-Eligible Routes
Interstate and Pricipal Arterials

Other Former Primary System Routes
Not currently NHS-Eligible

Likely Future NHS

Likey Future NHS-Eligible Routes
(based on federal maps)

areas and as a collector in urban areas.

The act mandates that before the NHS is designated, all states have to functionally reclassify their roadway systems. In order to meet the December 31, 1992, deadline for the reclassification we have already begun the process. Counties and urban areas should have already heard from us on this important undertaking.

Proposed State Legislation to Comply With the New Act

Keep in mind that previous federal-aid highway programs had separate funding categories for the secondary and urban systems. The new act not only eliminated those programs, but the federal government is discouraging states from sub-allocating Surface Transportation Program funds to cities and counties by formula. The MDT and the Montana Highway Commission disagree and feel it's important to continue funding programs that give local governments the freedom to address local problems. Based on this approach, the department will propose legislation at the next session to establish state-urban and state-secondary programs based on the old federal-aid models.

Even though the new definitions of eligibility greatly expand the number of miles of roadway and the types of work eligible to receive federal funding, funding levels won't allow much beyond the basics. For

example, even if the state would receive the full federal appropriation throughout the six year life of the program, which is highly unlikely, it would only be enough to address a fraction of our highway needs over the same time frame. Because of these fiscal realities, the department will also propose legislation at the next session to establish state primary, urban and secondary systems, based on the size of the systems that were in existence before the new act was signed into law.

Other New Provisions

There are also provisions in the act that earmark funds for new programs. The most significant of these are listed below.

Transportation Enhancements

The Transportation Enhancements Provision sets aside about $6 million per year from the Surface Transportation Program for projects that add community or environmental value to the transportation system. The Montana Highway Commission has entered into an agreement with the Montana League of Cities and Towns and The Montana Association of Counties to distribute about 80% of these funds to cities of over 1,000 in population and counties on a per capita basis. This agreement gives city and county governments the authority to develop and prioritize transportation enhancement projects and to pool their allo-

cations for larger area-wide projects.

Projects or activities which fall into one of the following ten categories are considered enhancements and may be eligible for funding:

- Pedestrian and bicycle facilities;
- acquisition of scenic easements and scenic or historic sites;
- scenic or historic highway programs;
- landscaping and other scenic beautification;
- historic preservation;
- rehabilitation and operation of historic transportation buildings, structures or facilities - including historic railroad facilities and canals;
- preservation of abandoned railway corridors - including conversion for use as bicycle or pedestrian trails;
- control and removal of outdoor advertising; and
- mitigation of water pollution due to highway runoff.

Congestion Mitigation and Air Quality

CMAQ is a new program designed to help address air quality problems attributable to transportation related sources. These funds, about $5 million per year in Montana, are to be used on projects or programs likely to help an area attain a national ambient air quality standard.

At this time, Missoula is not in attainment for the carbon monoxide standard and the following communities do not meet the

national ambient air quality standard for PM-10, which is a measure of suspended dust particles: Libby, Kalispell, Thompson Falls, Missoula, Butte, Ronan, Polson, Lame Deer, Whitefish and Columbia Falls. In these "PM-10" cities studies have shown that the single greatest contributor is road dust which, in most cases, is attributable to sanding materials used during the winter to control icy road conditions.

Missoula is currently proposing projects or activities that can help move the city into attainment for CO. The department also expects to use some of this money to address air quality problems in the "PM-10" cities by purchasing cleaner and harder sanding materials, street sweepers and chemical de-icers.

Hopefully, by 1995 or 1996 no Montana city will still be in non-attainment for the National CO or PM-10 Air Quality standard. At that time, these funds can and will be transferred to the Surface Transportation Program and used to address statewide transportation needs.

Grant Opportunities

The MDT is taking advantage of new grant opportunities and has recently applied for a Model Intermodal Transportation Planning grant and a Scenic Byways Program Planning grant.

If approved and funded by the federal government, the first grant will begin the planning necessary for a truly integrated

transportation system in Montana incorporating all modes of transport.

The Scenic Byways Program grant will study the feasibility of a Montana Scenic Byways program which may ultimately result in recommending a system of scenic byways along with corridor management plans.

NEW PLANNING REQUIREMENTS

There are extensive new planning procedures in the act, including six new management systems that identify transportation needs. The results of these systems will be linked, along with other considerations, to a statewide transportation plan. And, the plan itself must be linked to the state's construction program.

Besides areas which the state already monitors, such as safety, bridge and pavement conditions; new management systems have to be developed for "public transportation facilities and equipment," "intermodal transportation facilities and equipment" and "congestion management." In some cases, these new systems will require information gathering from private transportation providers and will also require additional reporting from municipal planning organizations.

The federal government will write guidelines for the development of these systems in the near future. To date, the department's position is that these systems should be designed with enough flexibility

so local governments and private transportation providers are not overly burdened with reporting procedures that have little relevance to local needs. Even with a maximum amount of flexibility in how these systems are administered, we expect the new procedures to necessitate close coordination with private transportation providers and local/tribal planning organizations.

Besides the new management systems, there are also extensive new requirements for public involvement and coordinated transportation planning between federal and state transportation agencies and the state and local governments.

- One of these new provisions requires the states to publish a *Transportation Improvement Program* that includes all the projects to be funded in the next year under Title 23 of the U.S. Code. This includes transit projects and projects funded through the Federal Lands Highway Program, which includes transportation projects in national forests and Indian reservations. Maps and other information on all of Montana's projects will be available at the Forum meetings. These maps are also available before the Forums at MDT District Offices in Missoula, Butte, Great Falls, Glendive and Billings.

- Before you attend the Forum give some thought to future transportation projects you feel should be developed in your area. Perhaps these are already programmed and on the project maps. If not, let us hear your ideas at the Forum.
- The states are required to undertake a continuous planning process that considers the needs of all modes, the long range transportation needs of the state and many other specific issues such as access to border crossings, land use and ways to enhance the efficient movement of commercial motor vehicles.The state will also be studying the availability of inter-city bus service and looking for ways to improve it.
- There are more rigorous requirements for public involvement in transportation planning and programming. For example, decisions on expenditures from the Surface Transportation Program must be coordinated with local/tribal governments.
- What are your suggestions on ways to improve public involvement in the state's transportation planning process?

State Funding

Federal funds are only part of the transportation funding package. This is especially true of the highway program. Since 1983, when the Montana State Legislature established Montana's State - funded Construction Program, the department in partnership with the citizens of Montana has made significant progress in meeting the critical highway construction needs of the state. In 1993, the last year of this program unless funded by the state legislature, the department will focus on extending the pavement life of Montana's secondary highways and has scheduled 258 miles of pavement preservation work on secondary highways in 22 counties

The state funded construction program not only makes federal-aid highway dollars go further in addressing the state's highway needs by enabling the state to accomplish cost-effective betterments not eligible for federal funding; the state-funded program also allows Montana to take advantage of a provision in the new law and get the best possible match for federal-aid dollars. But, to take advantage of this provision which also applies to the Community Transportation Enhancement Program, it's essential that Montana continue its commitment to the state funded program.

While trust fund revenues have remained fairly constant, diversions of these revenues for non-transportation uses have

accelerated in recent years. The pie charts on page 23 show the erosion of trust fund revenues between fiscal year '92, and '93. In 1993, of the approximately $140 million expected to be collected from fuel taxes and GVW fees, only 62% is available for department use.

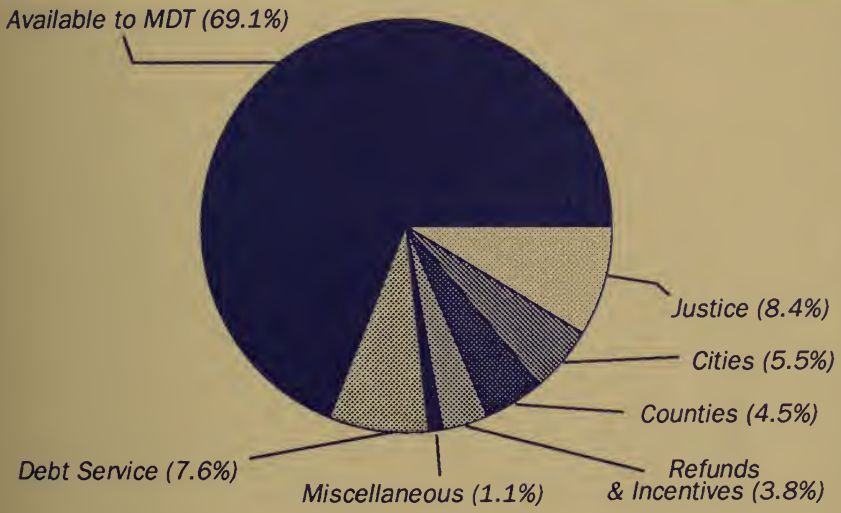
If we consider the yield on these revenues, one cent of fuel tax yields only about $3.1 million for MDT programs. This means that of the $.20 state fuel tax, only about $.124 is available to the department for construction, maintenance, operations and meeting federal matching share requirements.

To overcome this trend and keep the state trust fund in the black, an increase in highway revenues will be required in the next session. When Montana's fuel tax went to $.20 several years ago it was one of the highest fuel taxes in the nation. Now there are now 16 states with fuel taxes higher than $.20 per gallon. Currently, because of actions taken during the special session, there is a temporary, one year 7% surtax on all taxes including the fuel tax.

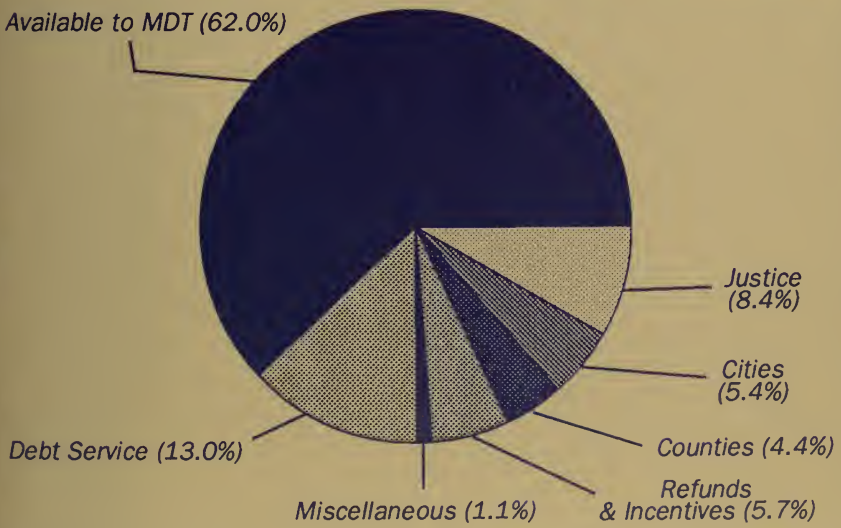
The resources available to the state for highway construction must be used carefully. There are two federal provisions that will cost the state millions in construction dollars if specific actions aren't taken at the next legislative session. While we strongly disagree with the federal government's tendency to use the construction program to

State Funds Available For Department Use Are Shrinking

'92 Distribution of State Highway Trust Fund Revenues



'93 Distribution of State Highway Trust Fund Revenues



promote agendas for social change, we feel it's vital that the legislative actions are taken to comply with the federal requirements on the following:

- $6.75 million will be lost to highway construction over the next five years if the state doesn't have a law requiring motorcyclists to wear helmets.

- $38.7 million will be lost to the state over the next five years, if the state doesn't address revoking the drivers licenses of convicted drug offenders.

Notes

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